



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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PENALTIES ORDERED AGAINST SUN CITY SECURITIES SALESMAN

PHOENIX — The Arizona Corporation Commission ordered William K. McCrea of Sun City, and his private corporation Estate Services II, Inc. to stop selling unregistered securities.

According to the Commission Order, Mr. McCrea sold securities in the form of promissory notes issues by PCO, Inc. also known as Personal Choice Opportunities. PCO is a California-based company that raised funds from investors to purchase group life insurance policies from terminally ill patients. Such investments are known as “viatical settlements.” Pursuant to the agreements, participating investors were to be paid a twenty-five percent annual return. Payments were to be made semi-annually from a pooling of the proceeds of the policies held in escrow account with Escrow Plus, Inc., also based in California.

At the time of the sales, McCrea was a registered securities salesman under Intersecurities, Inc. The PCO notes were sold through his corporate entity without the approval of his dealer. In a period of approximately thirty days, from February 27, 1997 to March 27, 1997, Mr. McCrea solicited \$1,336,008 from twenty-one private investors for the PCO notes. On February 28, 1997, the California Commissioner of Corporations issued a “Desist and Refrain” order to PCO. In April and May 1997, the California Department of Corporations filed actions in Superior Court in California against PCO, Escrow Plus, and their principals, to freeze monies and to turn those funds over to a receiver. Investors have received some of their money from the receivership. The Commissioners ordered Mr. McCrea to pay \$10,000 in restitution to his investors. In addition, McCrea was ordered to pay \$5,000 in penalties.

Mark Sendrow, Director of the Commission's Securities Division stressed the importance of investigating potential investments by saying "the public should always inquire into the registration status of not only the security but the salesman as well before making a final financial commitment." Sendrow encourages the public to call the Division before investing at (602) 542-4242, or visit the Division web site at www.ccsd.cc.state.az.us for informative investor information.

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